

and a GME carve out, the DSH carve out was dropped from the final BBA. There is no logic to not applying the same principle to DSH payments.

Our Nation's safety-net hospitals desperately need these extra payments—and HMO's which do not use DSH hospitals do not deserve the extra amount. For example, as data from 1995 show, the Nation's public hospitals in over 100 of America's largest metropolitan areas are among the key safety-net hospitals. These hospitals make up only about 2 percent of all the Nation's hospitals, yet they provide more than 20 percent of all uncompensated care and they rely on Medicare and Medicaid to fund more than half of that uncompensated care. In 1995, 67 of these safety-net hospitals reported incurring \$5.8 billion in uncompensated care costs—defined as bad debt and charity care—an average of over \$86 million per hospital. For these institutions, bad debt and charity care represented 25 percent of their total gross charges. These safety-net hospitals have the worst total margins—that is, "profits"—in the hospital industry. Overall, hospital margins from Medicare payments are at record highs and this fact justified the Medicare payment update freeze and reductions which were included in the Balanced Budget Act. But the Prospective Payment Assessment Commission estimates that in 1997 the Nation's major teaching hospitals, who also tend to be DSH hospitals, will have the lowest total margins of any hospital category: 3.9 percent—a thin and shrinking margin that will surely turn negative in the next economic downturn. The enactment of this legislation could help improve these margins and preserve the more than 800 hospitals who are receiving DSH payments.

Providing a DSH carve out will also help these hospitals compete equally for managed care patients. Failing to provide a carve out serves as an incentive to managed care plans not to use these more expensive hospitals. A recent White Paper from the National Association of Public Hospitals and Health Systems entitled "Preserving America's Safety Net Hospitals" explains why the DSH carve out should be legislated: "The current methodology for distributing Direct Graduate Medical Education, Indirect Medical Education, and DSH payments is seriously flawed in the Medicare managed care context. For Medicare patients enrolled in managed care, these supplemental payments are incorporated into the average adjusted per capita cost [AAPCC] which is the capitation payment made to managed care plans. The plans do not necessarily pass these payments along to the hospitals which incur the costs that justify the payments. In fact, some plans receive the payments and do not even contract with such hospitals. As Medicare increases the use of capitated risk contracting, the amount of DGME, IME, and DSH funds that go to teaching hospitals will diminish considerably unless this payment policy is changed. In essence, payments intended to support the costs of teaching or low income care are being diverted from the hospitals that provide the care to managed care plans that are not fulfilling this mission. For this reason, the GME and DSH payments must be carved out of the AAPCC rate and made directly to the hospitals that incur those costs."

I am pleased to report that the Hospital Association of New York State [HANYS] and the Greater New York Hospital Association

[GNYHA] have announced their support for this bill. I hope that other hospital associations around the Nation will quickly join in urging passage of this bill.

The carve out for graduate medical education was wisely included in the Balanced Budget Act. It is logical, appropriate, and important that we complete the work and carve out the DSH payments.

SOROPTIMIST INTERNATIONAL OF WASHINGTON, DC MARKS 75 YEARS OF SERVICE

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. MORELLA. Mr. Speaker, I rise today to honor Soroptimist International of Washington, DC formerly known as the Soroptimist Club. November 27, 1997, will mark the 75th anniversary of this distinguished organization's charter, an event that justly deserves our appreciation. The community service efforts of this group of professional women should be recognized, for they have served the needs of the metropolitan Washington, DC, area well. Additionally, they have worked with their counterpart clubs throughout the United States, and all over the world, to help victims of disasters and to improve the quality of life of the less fortunate.

Soroptimists in the Washington metro area have worked tirelessly to improve the education, health, and welfare of residents of all communities. For nearly 40 years Soroptimists have provided a monetary award to a high school senior based on achievements in citizenship. They have awarded scholarships to allow students to attend Gallaudet University and the Howard University School of Nursing. Also, each year they present a grant to a woman reentering the workplace. They are a founding benefactor of the Museum for Women in the Arts. Over the years, they have purchased bulletproof vests for police officers, imported German Shepherd dogs for the K-9 Corps, and helped the hospital for sick children install a new roof. They pay for mammograms at Providence Hospital for low-income women, and they purchase sleeping bags for the homeless of our community.

Mr. Speaker, please join me in congratulating and applauding the Soroptimist International of Washington, DC, and all Soroptimists throughout the world.

TRIBUTE TO EILEEN M. MCCARTHY

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. PAPPAS. Mr. Speaker, I rise today to acknowledge the achievement of a young, prominent American from New Jersey. Eileen M. McCarthy was recently named a national finalist in the second annual Samsung American Legion Scholarship Program. Eileen received this honor based on her participation in the New Jersey American Legion Auxiliary Girls State Program.

Eileen is among 95 other outstanding young Americans named as finalists to complete for

1 of 10 college scholarships, each worth \$20,000. These young girls were judged on the basis of their involvement in their school and community and for their academic achievements.

The scholarship program is funded by a \$5 million endowment from the Samsung Group, an international company headquartered in South Korea and is administered by the American Legion. The endowment was made in 1995 as an expression of appreciation and in recognition of our country's involvement and sacrifice in the Korean War.

Mr. Speaker, young women like Ms. McCarthy are excellent examples of America's commitment to education and community service. Her hard work and dedication would make veterans very proud. I wish to commend Ms. McCarthy on her exemplary work.

THE "NOT RAISING HOGS" BUSINESS

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BURTON of Indiana. Mr. Speaker, this letter came from a young man in the 11th grade in Alabama, and I thought it was worth putting into the CONGRESSIONAL RECORD so everyone in America could see how some of our Government programs are being used.

To: Honorable Secretary of Agriculture, Washington, DC.

DEAR SIR: My friend, Ed Peterson, over at Wells Iowa, received a check for \$1,000 from the government for not raising hogs. So, I want to go into the "not raising hogs" business next year.

What I want to know is, in your opinion, what is the best kind of farm not to raise hogs on, and what is the best breed of hogs not to raise? I want to be sure that I approach this endeavor in keeping with all governmental policies. I would prefer not to raise razorbacks, but if that is not a good breed not to raise, then I will just as gladly not raise Yorkshires or Durocs.

As I see it, the hardest part of this program will be in keeping an accurate inventory of how many hogs I haven't raised.

My friend, Peterson, is very joyful about the future of the business. He has been raising hogs for twenty years or so, and the best he ever made on them was \$422 in 1968, until this year when he got your check for \$1000 for not raising hogs.

If I get \$1000 for not raising 50 hogs, will I get \$2000 for not raising 100 hogs? I plan to operate on a small scale at first, holding myself down to about 4000 hogs not raised, which will mean about \$80,000 the first year. Then I can afford an airplane.

Now another thing, these hogs I will not raise will not eat 100,000 bushels of corn. I understand that you also pay farmers for not raising corn and wheat. Will I qualify for payments for not raising wheat and corn not to feed 4000 hogs I am not going to raise?

Also, I am considering the "not milking cows" business, so send me any information you have on that too.

In view of these circumstances, you understand that I will be totally unemployed and plan to file for unemployment and food stamps.

Be assured you will have my vote in the coming election.

Patriotically Yours,

Entre Prenuer.